

109TH CONGRESS
1ST SESSION

S. 1556

To amend the Specialty Crops Competitiveness Act of 2004 to increase the authorization of appropriations for grants to support the competitiveness of specialty crops, to amend the Agricultural Risk Protection Act of 2000 to improve the program of value-added agricultural product market development grants by routing funds through State departments of agriculture, to amend the Federal Crop Insurance Act to require a nationwide expansion of the adjusted gross revenue insurance program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JULY 29, 2005

Mr. WYDEN introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

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1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Specialty Crop and
 5 Value-Added Agriculture Promotion Act”.

6 **SEC. 2. DEFINITION OF SPECIALTY CROP.**

7 Section 3(1) of the Specialty Crops Competitiveness
 8 Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note)
 9 is amended—

10 (1) by inserting “fish and shellfish whether
 11 farm-raised or harvested in the wild,” after “dried
 12 fruits,”; and

13 (2) by adding at the end the following: “The
 14 term includes specialty crops that are organically
 15 produced (as defined in section 2103 of the Organic
 16 Foods Production Act of 1990 (7 U.S.C. 6502)).”.

17 **SEC. 3. PERMANENT AUTHORIZATION OF APPROPRIATIONS**
 18 **FOR STATE SPECIALTY CROP BLOCK GRANTS.**

19 Section 101 of the Specialty Crops Competitiveness
 20 Act of 2004 (Public Law 108–465; 7 U.S.C. 1621 note)
 21 is amended by striking subsection (i) and inserting the fol-
 22 lowing:

23 “(i) AUTHORIZATION OF APPROPRIATIONS.—For fis-
 24 cal year 2006 and every fiscal year thereafter, there is au-

1 thorized to be appropriated to the Secretary of Agriculture
 2 \$500,000,000 to make grants under this section.”.

3 **SEC. 4. BLOCK GRANTS TO STATES FOR VALUE-ADDED AG-**
 4 **RICULTURAL PRODUCT MARKET DEVELOP-**
 5 **MENT.**

6 (a) IN GENERAL.—Section 231 of the Agricultural
 7 Risk Protection Act of 2000 (Public Law 106–224; 7
 8 U.S.C. 1621 note) is amended by striking subsection (b)
 9 and inserting the following:

10 “(b) GRANT PROGRAM.—

11 “(1) STATE DEFINED.—In this subsection, the
 12 term ‘State’ means each of the 50 States, the Dis-
 13 trict of Columbia, the Commonwealth of Puerto
 14 Rico, the United States Virgin Islands, Guam,
 15 American Samoa, and the Commonwealth of the
 16 Northern Mariana Islands.

17 “(2) BLOCK GRANTS TO STATES.—

18 “(A) AMOUNT OF GRANT TO STATE.—

19 From the amount made available under para-
 20 graph (7) for a fiscal year, the Secretary shall
 21 provide to each State, subject to subparagraph
 22 (B), a grant in an amount equal to the product
 23 obtained by multiplying the amount made avail-
 24 able for that fiscal year by the result obtained
 25 by dividing—

1 “(i) the total value of the agricultural
 2 commodities and products made in the
 3 State during the preceding fiscal year; by

4 “(ii) the total value of the agricultural
 5 commodities and products made in all of
 6 the States during the preceding fiscal year.

7 “(B) LIMITATION.—The total grant pro-
 8 vided to a State for a fiscal year under sub-
 9 paragraph (A) shall not exceed \$3,000,000.

10 “(3) USE OF GRANT FUNDS BY STATES.—A
 11 State shall use the grant funds to award competitive
 12 grants—

13 “(A) to an eligible independent producer
 14 (as determined by the State) of a value-added
 15 agricultural product to assist the producer—

16 “(i) in developing a business plan for
 17 viable marketing opportunities for the
 18 value-added agricultural product; or

19 “(ii) in developing strategies that are
 20 intended to create marketing opportunities
 21 for the producer; and

22 “(B) to an eligible agricultural producer
 23 group, farmer or rancher cooperative, or major-
 24 ity-controlled producer-based business venture

1 (as determined by the State) to assist the enti-
2 ty—

3 “(i) in developing a business plan for
4 viable marketing opportunities in emerging
5 markets for a value-added agricultural
6 product; or

7 “(ii) in developing strategies that are
8 intended to create marketing opportunities
9 in emerging markets for the value-added
10 agricultural product.

11 “(4) AMOUNT OF COMPETITIVE GRANT.—

12 “(A) IN GENERAL.—The total amount pro-
13 vided under paragraph (3) to a grant recipient
14 shall not exceed \$500,000.

15 “(B) MAJORITY-CONTROLLED PRODUCER-
16 BASED BUSINESS VENTURES.—The amount of
17 grants provided by a State to majority-con-
18 trolled producer-based business ventures under
19 paragraph (3)(B) for a fiscal year may not ex-
20 ceed 10 percent of the amount of funds that are
21 used by the State to make grants for the fiscal
22 year under paragraph (3).

23 “(5) GRANTEE STRATEGIES.—A recipient of a
24 grant under paragraph (3) shall use the grant
25 funds—

1 “(A) to develop a business plan or perform
 2 a feasibility study to establish a viable mar-
 3 keting opportunity for a value-added agricul-
 4 tural product; or

5 “(B) to provide capital to establish alli-
 6 ances or business ventures that allow the pro-
 7 ducer of the value-added agricultural product to
 8 better compete in domestic or international
 9 markets.

10 “(6) REPORTS.—Not later than 90 days after
 11 the end of a fiscal year for which funds are provided
 12 to a State under paragraph (2), the State shall sub-
 13 mit to the Committee on Agriculture of the House
 14 of Representatives and the Committee on Agri-
 15 culture, Nutrition, and Forestry of the Senate a re-
 16 port describing how the funds were used.

17 “(7) FUNDING.—On October 1 of each fiscal
 18 year, of the funds of the Commodity Credit Corpora-
 19 tion, the Secretary shall make available to carry out
 20 this subsection \$100,000,000, to remain available
 21 until expended.”.

22 (b) EFFECTIVE DATE.—The amendment made by
 23 subsection (a) shall take effect on October 1, 2005.

24 **SEC. 5. REIMBURSEMENT OF CERTIFICATION COSTS.**

25 (a) INCENTIVE PROGRAM.—

1 (1) IN GENERAL.—The Secretary of Agriculture
2 shall establish an incentive program to encourage
3 the independent third-party certification of agricul-
4 tural producers and processors for product qualities,
5 production practices, or other product or process at-
6 tributes that increase marketability or value of an
7 agricultural commodity.

8 (2) INCLUSIONS.—The Secretary shall include
9 independent third-party certification systems, includ-
10 ing programs such as Good Agricultural Practices,
11 Good Handling Practices, and Good Manufacturing
12 Practices programs, that the Secretary finds will
13 provide 1 or more measurable social, environmental,
14 or marketing advantages.

15 (b) STANDARDS.—The Secretary shall set standards
16 regarding the types of certifications, and the types of cer-
17 tification-related expenses, that will qualify for reimburse-
18 ment under the program.

19 (c) LIMITATION ON AMOUNT OF REIMBURSEMENT.—
20 An agricultural producer or processor may not receive re-
21 imbursement for more than 50 percent of the qualified ex-
22 penses incurred by the producer or processor related to
23 accepted certifications.

1 **SEC. 6. NATIONWIDE EXPANSION OF RISK MANAGEMENT**
 2 **AGENCY ADJUSTED GROSS REVENUE INSUR-**
 3 **ANCE PROGRAM.**

4 (a) EXPANSION.—Section 523(e) of the Federal Crop
 5 Insurance Act (7 U.S.C. 1523(e)) is amended by adding
 6 at the end the following:

7 “(3) PERMANENT NATIONWIDE OPERATION.—

8 “(A) IN GENERAL.—Effective beginning
 9 with the 2006 reinsurance year, the Corpora-
 10 tion shall carry out the adjusted gross revenue
 11 insurance pilot program as a permanent pro-
 12 gram under this title and may expand the pro-
 13 gram to cover any county in which crops are
 14 produced.

15 “(B) TEMPORARY PREMIUM SUBSIDIES.—
 16 To facilitate the expansion of the program na-
 17 tionwide, the Corporation may grant temporary
 18 premium subsidies for the purchase of a policy
 19 under the program to producers whose farm op-
 20 erations are located in a county that has a high
 21 level of specialty crop production and has not
 22 had a high-level of participation in the purchase
 23 of crop insurance coverage.”.

24 (b) COMPTROLLER GENERAL STUDY.—The Comp-
 25 troller General shall conduct a study of the Federal crop
 26 insurance program—

1 (1) to determine how well the program under
2 section 523(e)(3) of the Federal Crop Insurance Act
3 (as added by subsection (a)) serves specialty crop
4 producers; and

5 (2) to recommend such changes as the Comp-
6 troller General considers appropriate to improve the
7 program for specialty crop producers.

8 **SEC. 7. EXPANSION OF FRUIT AND VEGETABLE PROGRAM**
9 **IN SCHOOL LUNCH PROGRAMS.**

10 The Richard B. Russell National School Lunch Act
11 is amended—

12 (1) in section 18 (42 U.S.C. 1769), by striking
13 subsection (g); and

14 (2) by inserting after section 18 the following:

15 **“SEC. 19. FRUIT AND VEGETABLE PROGRAM.**

16 “(a) IN GENERAL.—The Secretary shall make avail-
17 able in not more than 100 schools in each State, and in
18 elementary and secondary schools on 1 Indian reservation,
19 free fresh and dried fruits and vegetables and frozen ber-
20 ries to be served to school children throughout the school
21 day in 1 or more areas designated by the school.

22 “(b) PRIORITY IN ALLOCATION.—In selecting States
23 to participate in the program, the Secretary shall give pri-
24 ority to States that produce large quantities of specialty
25 crops.

1 “(c) PUBLICITY.—A school participating in the pro-
 2 gram authorized by this section shall publicize in the
 3 school the availability of free fruits and vegetables under
 4 the program.

5 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
 6 is authorized to be appropriated to carry out this section
 7 \$20,000,000 for each of fiscal years 2006 and 2007.”.

8 **SEC. 8. INCREASE IN LIMIT ON DIRECT OPERATING LOANS;**
 9 **INDEXATION TO INFLATION.**

10 Section 313 of the Consolidated Farm and Rural De-
 11 velopment Act (7 U.S.C. 1943) is amended—

12 (1) in subsection (a)(1), by striking “\$200,000”
 13 and inserting “\$500,000 (increased, beginning with
 14 fiscal year 2007, by the inflation percentage applica-
 15 ble to the fiscal year in which the loan is made)”;
 16 and

17 (2) in subsection (b), by striking paragraph (2)
 18 and inserting the following:

19 “(2) the average of such index (as so defined)
 20 for the 12-month period ending on—

21 “(A) in the case of a loan other than a
 22 loan guaranteed by the Secretary, August 31,
 23 2005; or

24 “(B) in the case of a loan guaranteed by
 25 the Secretary, August 31, 1996.”.

1 **SEC. 9. TRADE OF SPECIALTY CROPS.**

2 (a) ASSISTANT USTR FOR SPECIALTY CROPS.—Sec-
3 tion 141(c) of the Trade Act of 1974 (19 U.S.C. 2171(c))
4 is amended by adding at the end the following:

5 “(6) ASSISTANT USTR FOR SPECIALTY
6 CROPS.—

7 “(A) ESTABLISHMENT.—There is estab-
8 lished in the Office the position of Assistant
9 United States Trade Representative for Spe-
10 cialty Crops.

11 “(B) APPOINTMENT.—The Assistant
12 United States Trade Representative for Spe-
13 cialty Crops shall be appointed by the United
14 States Trade Representative.

15 “(C) PRIMARY FUNCTION.—The primary
16 function of the Assistant United States Trade
17 Representative for Specialty Crops shall be—

18 “(i) to promote the trade interests of
19 specialty crop businesses;

20 “(ii) to remove foreign trade barriers
21 that impede specialty crop businesses; and

22 “(iii) to enforce existing trade agree-
23 ments beneficial to specialty crop busi-
24 nesses.

25 “(D) PAY.—The Assistant United States
26 Trade Representative for Specialty Crops shall

1 be paid at the level of a member of the Senior
2 Executive Service with equivalent time and
3 service.”.

4 (b) STUDY OF URUGUAY ROUND TABLE AGREEMENT
5 BENEFITS.—

6 (1) STUDY.—The Comptroller General of the
7 United States shall conduct a study on the benefits
8 of the agreements approved by Congress under sec-
9 tion 101(a)(1) of the Uruguay Round Agreements
10 Act (19 U.S.C. 3511(a)(1)) to specialty crop busi-
11 nesses.

12 (2) REPORT.—Not later than 1 year after the
13 date of the enactment of this Act, the Comptroller
14 General shall submit to Congress a report describing
15 the results of the study conducted under paragraph
16 (1).

17 (c) FOREIGN MARKET ACCESS STRATEGY.—Not
18 later than 1 year after the date of the enactment of this
19 Act, the Secretary of Agriculture shall develop and imple-
20 ment a foreign market access strategy to increase exports
21 of specialty crops to foreign markets.

1 **SEC. 10. INCREASED AUTHORIZATION FOR TECHNICAL AS-**
2 **SISTANCE FOR SPECIALTY CROPS.**

3 Section 3205(d) of the Farm Security and Rural In-
4 vestment Act of 2002 (7 U.S.C. 5680(d)) is amended by
5 striking “\$2,000,000” and inserting “\$10,000,000”.

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